

## 4 AMENDMENT TO OIL GAS AND MINERAL LEASE

*Max* This Amendment to Oil Gas and Mineral Lease is entered into on this 13 day of January, 2008 by and among Roy O. Hagood Jr., individually and as trustee for the Sarah Hagood Trust, whose address is 5637 Wimbledon Way Fort Worth, Texas 76133 and Max Carey, an individual whose address is 113 Clifford Drive, Shalimar, Florida 32579, (herein after collectively referred to as "Lessor"), and Grand Energy, Inc. whose address is 15303 Dallas Parkway, Suite 1010, Addison, Texas 75001 (herein after referred to as "Lessee").

### RECITALS

1. The parties entered into that certain Paid Up Oil and Gas Lease effective January 15, 2007 covering the following lands ("Lease"):

242.878 acres of land, more or less, located in the J. Wilcox Survey, Abstract No. 1704, J. Wilcox Survey, Abstract No. 1723, Daniel Perry Survey, Abstract 1242 and the Smallwood Survey, Abstract No. 1452 Tarrant County Texas

### SAVE AND EXCEPT THE FOLLOWING:

1. A forty-acre tract of land surrounding the HAGOOD NO. 1 WELL, GAS ID NO. 200633 from the surface to a depth of 100 feet below the deepest depth drilled
2. A twenty-acre tract of land forming part of the RALL-HAGWOOD UNIT NO. 2 WELL, GAS ID. NO. 210673 from the surface to a depth of 100 feet below the deepest depth drilled  
(“Leased Premises”).

### TERMS OF AMENDMENT

**IN CONSIDERATION OF** the mutual promises and agreements contained in this Amendment, including the recitals set forth above, the parties amend the Lease as follows:

1. The following language contained in the legal description set out in the Lease:

“242.87 acres more or less out of the Daniel Perry Survey, Abstract 1242 and the Jacob Wilcox Survey Abstract 1704, Tarrant County, Texas”

is hereby superseded in its entirety by the following language:

*Roy O. Hagood Jr.*  
ROH, Jr.

*Roy O. Hagood Jr.*  
ROH, Jr.  
SH TRUST

*Max Carey*  
MC

GE, Inc.

"242.878 acres of land, more or less, located in the J. Wilcox Survey, Abstract No. 1704, J. Wilcox Survey, Abstract No. 1723, Daniel Perry Survey, Abstract 1242 and the Smallwood Survey, Abstract No. 1452 Tarrant County Texas"

2. Paragraph 35 is amended to read as follows:

35. As further consideration, and to induce Lessor to execute this Lease, Lessee agrees and commits to commence within five hundred and fifty days (550) days from January 15, 2007 the actual drilling of a well at a location set out on the Addendum to Oil and Gas Lease attached hereto, and continue drilling such well with no cessation of operations for more than ninety (90) days to a depth and terminus sufficient to test the Barnett Shale formation. ("Initial Test Well") Except upon good cause and with Lessor's prior written consent, Lessee shall either complete or plug and abandon the well with no cessation of operations (as defined in paragraph 8 herein above) for more than ninety (90) days from the date the well reaches the terminus (i) of the horizontal drainhole in the case of a horizontal well, and/or (ii) the bottom hole location in the case of a vertical well. Actual drilling shall mean drilling in the ground with rotary drilling tools of a suitable size necessary to reach the objective depth. Irrespective of any other provision contained in this Lease to the contrary, if Lessee either completes or plugs and abandons the Initial Test Well [or subsequent wells drilled on the Leased Premises], Lessee shall have three hundred and sixty-five (365) days from the completion or plugging and abandoning one well to commence actual drilling of another well. The additional three hundred and sixty-five (365) days allowed to Lessee by the terms and provision of this paragraph for each well completed or plugged and abandoned shall extend the primary term of this Lease by the difference between the remaining number of days left in the primary term and the three hundred and sixty-five (365) days provided in this paragraph. The additional three hundred and sixty-five (365) days allowed to Lessee by the terms and provision of this paragraph for each well completed or plugged and abandoned shall be cumulative. If Lessee commences actual drilling of any well on the Leased Premises or lands pooled therewith in less than the time allowed by this paragraph, Lessee shall commence actual drilling of any subsequent well within three hundred and sixty-five (365) days of the date the qualifying well is completed or plugged and abandoned plus the difference between the time allowed by this paragraph for the commencement of drilling such well and the number of days by which drilling of the previous well was actually commenced. Example: Drilling on the Initial Test Well is commenced within three hundred and sixty-five (365) days from January 15, 2007. Lessee shall have Lessee shall have five hundred and forty-five (545) days [i.e. three hundred and sixty-five (365) days plus an additional one hundred and eighty (180) days] from the completion or the plugging and abandoning of the Initial Test Well to commence drilling Well #2. If the Lessee commences drilling of Well #2 within one hundred and eighty-five (185) days from the completion of the Initial Test Well, Lessee

*ROH, Jr.*  
ROH, Jr.

*R. C. P. T. P. C.*  
R. C. P. T. P. C.  
SH TRUST

*M. R. C. P. C.*  
M. R. C. P. C.  
P. O. A.  
MC

GE, Inc.

shall have seven hundred and thirty (730) days [i.e. three hundred and sixty-five (365) days plus one hundred and eighty (180) days plus one hundred and eighty-five (185) days] to commence drilling Well #3.

At the end of the primary term, if this Lease is being perpetuated beyond the end of the primary term due to (i) production of oil and/or gas from one or more wells producing from Leased Premises, (ii) the shut-in of one or more wells as provided in paragraph 6, (iii) continuous operations and/or (iv) cessation of production for less than ninety (90) days, then this Lease shall terminate, save and except the minimum acreage allowable conforming to the spacing unit filed with Texas Railroad Commission around each productive well and/or wells otherwise properly held by other terms of this Lease drilled by Lessee, sufficient under existing regulations and/or future regulations to permit a full production allowable for each well. If after termination of this Lease, the applicable spacing rules and regulations are modified to provide for spacing smaller than that held by production as set out herein above, the acreage held by production shall likewise be reduced to conform with the then applicable spacing rules and/or regulations. Lessee agrees to execute and deliver to Lessor a release in recordable form evidencing the termination of the Lease as to acreage and depths not preserved under this Lease as above provided. Lessee agrees to plug all dry and/or abandoned wells drilled or re-entered by Lessee which well bore passes through or under the Leased Premises; such wells to be plugged in accordance with the rules and regulations of the Texas Rail Road Commission and/or other applicable state agency or other lawful authority having jurisdiction.

3. Except as specifically provided for herein above, all other provisions of the Lease, as amended shall remain in full force and effect.

Executed on the date first above written.

**LESSOR:**

Roy O. Hagood, Jr. Individually and as Trustee  
For the Sarah Hagood Trust  
5637 Wimbledon Way  
Fort Worth, Texas 76133

Roy O. Hagood Jr. & As RO. Hagood Jr. Trust.

Max Carey  
113 Clifford Drive  
Shalimar, Florida 32579

Max R. Carey as P.A.T.

Roy Jr.  
ROH, Jr.

ROH Jr. Trust  
SH TRUST

Max R. Carey, Jr.  
Max P.A.T.  
MC  
GE, Inc.

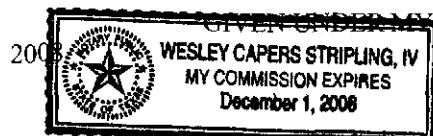
**LESSEE**

Grand Energy, Inc.  
15303 Dallas Parkway, Suite 1010  
Addison, Texas 75001

By: \_\_\_\_\_  
James L. Harris, President

**STATE OF TEXAS**                    }  
**COUNTY OF TARRANT**                }

BEFORE ME, on this day personally appeared Roy O. Hagood, Jr. known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for purposes and considerations therein expressed, and in his individual capacity and as Trustee for the Sarah Hagood Trust.

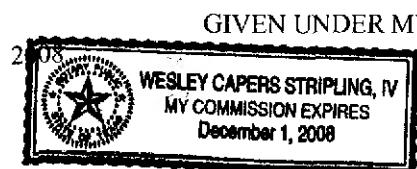


13<sup>th</sup> day of March

Notary Public in and for the County of  
Tarrant, State of Texas

**STATE OF TEXAS**                    }  
**COUNTY OF TARRANT**                }

BEFORE ME, on this day personally appeared Roy O. Hagood, Jr. known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for purposes and considerations, and as attorney-in-fact for Max Carey.



13<sup>th</sup> day of March

Notary Public in and for the County of  
Tarrant, State of Texas

**STATE OF TEXAS**                    }  
**COUNTY OF DALLAS**                }

BEFORE ME, on this day personally appeared James L. Harris known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for purposes and considerations therein expressed, and as President of Grand Energy, Inc. on behalf of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the \_\_\_\_\_ day of January,  
2008

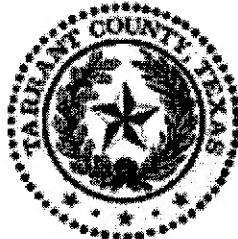
Notary Public in and for the County of  
Dallas, State of Texas

ROH, Jr.

SH TRUST

MC

GE, Inc.



WESLEY C STRIPLING IV  
6100 CAMP BOWIE BLVD 27

FT WORTH TX 76116

Submitter: WESLEY C STRIPLING IV

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SUZANNE HENDERSON  
TARRANT COUNTY CLERK  
TARRANT COUNTY COURTHOUSE  
100 WEST WEATHERFORD  
FORT WORTH, TX 76196-0401

**DO NOT DESTROY**  
**WARNING - THIS IS PART OF THE OFFICIAL RECORD.**

Filed For Registration: 01/30/2009 01:05 PM  
Instrument #: D209024637  
OFR 5 PGS \$28.00

By: \_\_\_\_\_



**D209024637**

ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE  
OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR  
RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

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